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Foreign Crops and MARKETS



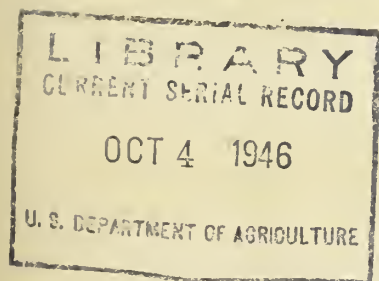
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World Rye Crop Below Average But Larger Than Last Year's, With Small Increase in Europe Due to Increased Acreages and Larger Yields (Page 182)

Canada's Fruit Crop Prospects Bright. Apple Crop Near Record (Page 195)

World Fats and Oils Production May Take 3 Years or More to Attain Prewar Levels (Page 189)



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CONTENTS

	Page
GRAINS, GRAIN PRODUCTS, AND FEEDS	
World Rye Production Still Below Average	182
Egypt's Grain Crops Reported Smaller	187
Indian Rice Crop Above Average	188
United Kingdom's Grain Prospects Unfavorable.	200
FATS AND OILS	
World Fats and Oils Production and Trade	189
Record Sunflower-Seed Acreage Seen in Chile .	193
Bahia's Castor-Bean Crop Down Slightly	193
TOBACCO	
Southern Rhodesia's Tobacco Crop Down	194
Dominican Leaf Tobacco Exports Rise Sharply .	194
Haiti Tobacco Imports Largely From U.S.	194
Chile's Tobacco Production Down	195
FRUITS, VEGETABLES, AND NUTS	
World Shelled-Almond Crop Smaller	184
Canada's Fruit Outlook Bright	195
Argentine Citrus Crop Smaller	196
Cuban Vegetable Acreage Larger	196
COTTON AND OTHER FIBERS	
Belgian Cotton Consumption Nears Prewar Level	197
Weekly Cotton Prices on Foreign Markets	198
LIVESTOCK AND ANIMAL PRODUCTS	
U. S. Buyers Complete Uruguayan Wool Purchases	198
MISCELLANEOUS	
Madagascar Vanilla-Bean Crop Larger	199

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L A T E N E W S

Terms of the Anglo-Argentine meat agreement indicate that the United Kingdom will purchase the Argentine exportable surplus for 4 years from October 1, 1946, after allowing for a reserve for sale by Argentina to other markets of not more than 17 percent in the first contract year and 22 percent in the second year. The United Kingdom is to buy any balance not actually sold to other markets. Contract prices will be about 7 percent above those prevailing for the sixth bulk contract but exceed by 45 percent those specified in the first bulk contract in 1939.

Current arrangements continue under which the United Kingdom may assign quantities of meat from this sale to other countries at contract price. Such assignments will be subject to separate agreements between Argentina and the other countries concerning payments. The meats covered by the agreement include beef, veal, mutton, lamb, pig meat and offals, and frozen and/or chilled and canned meats.

The Cuban Cabinet on September 18 increased the flexible flour import subsidy to the maximum of \$3.68 per 200 pound bag. This is in addition to the flat subsidy of \$2.54 per bag.

Canada reports that recent evidence of more extensive frost damage to the wheat crop reduces the estimate of the exportable surplus by 15 to 25 million bushels. The current estimate of the exportable surplus is 250 to 260 million bushels.

Argentina's second official estimate places the planted flaxseed area at 5,041,000 acres.

Amendments to New Zealand import regulations will allow 125 percent of 1946 import licenses for prune imports from the United States provided they are delivered in New Zealand before April 1, 1947, reports disclose.

The Southern India Cashew Nut Merchants Association in Quilon, State of Travancore, according to reports, has fixed minimum export prices for cashews at 55 cents per pound of 320 counts. The Bombay Government reportedly has no intention of prescribing floor prices at present.

WORLD RYE PRODUCTION STILL BELOW AVERAGE

World rye production in 1946 is indicated at about 1,450 million bushels, on the basis of the latest information received in the Office of Foreign Agricultural Relations. This would be about 16 percent below the 1935-39 average, and only about 5 percent larger than the small outturn a year ago. Most of the increase, compared with last year's production, was reported for relatively unimportant rye-producing countries. A slight increase from last year's small crop is indicated for central Europe, but the outturn in that important rye-producing area is still considerably below average, particularly in Germany and Poland. The crop in Soviet Russia is believed to be little changed from that of 1945.

The estimated total acreage in 1946 of about 100 million acres is 3 percent larger than in 1945 and almost equal to the 1935-39 average, but per-acre yields in most important areas are still somewhat below average. In Germany, where normally about a third of Europe's rye crop is produced, low yields are reported again this year. The reduced yields in that country are attributed to a number of factors, including scarcities of fertilizer, high quality seed, and adequate farm machinery. Poor yields are also reported for Poland, the second largest producer in Europe. The effects of the land reforms, population shifts, and shortage of draft power, which reduced yields in 1945, are again reflected in this year's yields.

Drought conditions in the early summer caused some concern for the crop in the important central European area and in parts of the Balkans. Rainfall was received in most areas, however, before the crop sustained extensive damage.

In parts of the Balkans, however, some reduction in yields is attributed to drought. The best recovery from last year's low outturns in the Balkan countries appears to have been made in Bulgaria and Yugoslavia. Rye production in these countries is estimated to be only moderately below the prewar average, contrasted with the 1945 crop, which was indicated at less than 50 percent of normal. Hungary and Rumania, on the other hand, are still estimated to be about 50 percent below the 1935-39 average.

Rye production in Soviet Russia, which represents more than half the world crop in some seasons, is believed to be a little above average this year as it was in 1945. The gain is attributed to increased seedings, following a considerable shift to rye from wheat acreage during the war years. Yields both this year and in 1945 were lower than in the prewar period.

The North American rye crop is slightly less than in 1945, principally because of a decrease in acreage. A small increase in the Canadian acreage is more than offset by a reduction in the United States harvested acreage. Both acreage and production in the United States show a decline of about 50 percent from the 1935-39 average.

RYE: Acreage, yield per acre, and production in specified countries, year of harvest,
average 1935-39, annual 1944-46 a/

Continent and country	Acreage b/				Yield per:		Production			
	Average	1944	1945	Pre-	acre	Average	1944	1945	Pre-	
	1935-39			liminary		1935-39			liminary	
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
	acres	acres	acres	acres	Bushels	Bushels	bushels	bushels	bushels	
North America:										
United States	3,699:	2,228:	1,981:	1,775:	12.1:	44,917:	25,500:	26,354:	21,400	
Canada	816:	648:	487:	518:	11.3:	9,191:	8,526:	5,888:	7,588	
Total	4,515:	2,876:	2,468:	2,293:	-	54,108:	34,026:	32,242:	28,988	
Europe:										
Spain	c/ 1,396:	(1,540):	1,483:	c/2 12.8:	c/ 17,801:	19,158:	(14,800):	20,078		
Portugal	342:	417:	432:	433:	13.1:	4,485:	5,236:	4,724:	5,590	
Switzerland	38:	36:	32:	(35):	33.2:	1,260:	1,279:	(1,100):	(1,200)	
Italy	262:d/	235:d/	234:d/	250:	21.8:	5,701:d/	4,525:d/	3,115:d/	4,420	
France	1,614:	1,040:	(940):	1,045:	18.6:	30,013:e/	14,763:	(13,800):	(19,500)	
Belgium	369:	(380):	(310):	(285):	38.8:	14,719:	(14,800):	(9,000):	(10,000)	
Luxembourg	18:	22:	12:	(17):	25.7:	462:	547:	248:	(400)	
Denmark	352:	485:	398:	341:	28.4:	9,983:	16,220:	12,204:	11,417	
Netherlands	559:	739:	534:	551:	36.4:	20,331:	18,227:	(11,000):	(15,700)	
Norway	13:	9:	7:	7:	31.2:	405:	153:	177:	177	
Sweden	495:	502:	416:	389:	30.0:	14,828:	14,046:	10,873:	11,547	
Finland f/	578:	397:	369:	366:	24.0:	13,883:	6,535:	(7,000):	(7,400)	
Germany	10,722:	9,516:	-	-	28.4:	304,943:	255,322:	-	-	
Austria	901:	(630):	(550):	(615):	23.4:	21,098:	(11,800):	(9,100):	(11,800)	
Czechoslovakia	2,410:	-	(2,110):	(2,100):	25.8:	62,079:	-	(47,000):	(51,000)	
Poland	14,430:	-	-	-	18.3:	263,787:	-	-	-	
Hungary	1,585:	1,337:	914:	1,149:	18.5:	29,354:	25,053:	11,970:	14,330	
Yugoslavia	629:	-	371:	-	13.5:	8,498:	-	3,635:	-	
Rumania	1,076:	-	-	-	15.9:	17,136:	-	-	-	
Bulgaria g/	467:	421:	364:	493:	17.3:	8,084:	6,054:	3,996:	7,100	
Greece	163:	-	109:	136:	13.8:	2,244:	-	945:	1,811	
Lithuania	1,290:	-	-	-	19.1:	24,691:	-	-	-	
Latvia	693:	-	-	-	21.6:	14,944:	-	-	-	
Estonia	360:	-	-	-	20.9:	7,508:	-	-	-	
United Kingdom	19:	120:	80:	61:	18.7:	356:	3,520:	2,360:	(2,200)	
Estimated total h/	41,000:	37,300:	30,300:	32,700:	-	898,000:	750,000:	570,000:	620,000	
Soviet Union	53,125:	-	-	-	-	-	-	-	-	
Turkey	939:	941:	936:	1,114:	15.2:	14,301:	13,163:	13,242:	13,779	
Argentina	1,078:	811:	1,407:	(1,600):	9.1:	9,771:	7,456:	11,535:	(15,000)	
Union of South Africac/	117:	-	-	-	6.8:	794:	1,039:	846:	-	
Estimated world total h/...	100,900:	104,300:	97,500:	100,000:	-	1,730,000:	1,560,000:	1,385,000:	1,450,000	

Compiled from official sources and the International Institute of Agriculture where available; otherwise Office of Foreign Agricultural Relations estimates (shown in parentheses) based on foreign service reports and other information. Estimates for countries having changed boundaries have been adjusted to prewar boundaries, except as noted.

- a/ Year shown refer to year of harvest. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere, which immediately follow. Thus, the crop harvested in the Northern Hemisphere in 1945 is combined with the Southern Hemisphere harvest which began late in 1945 and ended early in 1946.
- b/ Figures refer to harvested areas as far as possible.
- c/ Average of less than 5 years.
- d/ Official estimate adjusted to prewar boundaries.
- e/ Official estimate adjusted to include Alsace Lorraine.
- f/ Official estimate adjusted to prewar boundaries.
- g/ Official estimate adjusted to include Alsace Lorraine.
- h/ Estimates for 1944 to date not comparable with earlier years because of change in boundaries.
- i/ Estimates for 1944 to date include Southern Dobruja and are, therefore, not strictly comparable with earlier years.
- j/ Estimated totals include allowances for missing data for countries shown and for other producing countries not shown.

The Argentine production cannot be forecast with any degree of accuracy this early in the season. Average yields on the expected acreage, however, would result in a total outturn somewhat above average. Seeded acreage, reported at 16,158,000 acres, is the largest since 1943, and is about 2 million acres larger than last year's seedings. Growing conditions will largely determine the size of the harvested acreage, with prices now at a comparatively high level.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crops and Livestock Statistics. For this report the Committee included: C. M. Purves, Acting Chairman, Judith E. Downey, Lois B. Bacon, Robert J. Manovill, Oscar K. Moore, and L. Volin.

WORLD SHELLED-ALMOND CROP SMALLER

The 1946 preliminary estimate of shelled-almond production in the six leading foreign commercial producing countries is 71,400 short tons (revised), compared with 89,700 tons (revised) in 1945. This exceeds the 5-year (1940-44) average of 59,000 tons by 21 percent and the 10-year (1935-44) average of 57,000 tons by 25 percent. The indicated crop would be the third largest since 1929. For Iran and French Morocco, the preliminary estimate shows a small decline from the forecast made in July, but in all other countries production remains the same.

ALMONDS, SHELLED: Estimated commercial production in specified countries, 1946 with comparisons
(Rounded to nearest 100 short tons)

Country	Average		1944	1945	1946 a/
	1940-44	1935-44			
	Short tons	Short tons	Short tons	Short tons	Short tons
France.....	800	700	1,000	500	b/ 600
French Morocco	1,400	2,100	600	3,300	d/ 3,000
Iran	6,200	c/	5,300	6,600	d/ 7,700
Italy	23,800	27,800	22,700	50,600	33,000
Portugal	1,600	2,300	1,700	2,300	2,900
Spain	25,200	24,100	20,900	26,100	24,200
Foreign total	59,000	c/ 57,000	52,200	d/ 89,700	d/ 71,400
United States					
(unshelled) f/ ...	18,000	14,700	21,000	d/ 23,800	35,000

Compiled from trade and official sources.

a/ Preliminary. b/ Not yet available, 1939-43 average has been used.

c/ Data prior to 1938 not available. d/ Revised. e/ Excluding Iran.

f/ California only.

Growing conditions in most countries were satisfactory during the season, though the lack of rain in Italy has prevented normal sizing. In

Spain, some early season damage from severe weather was reported in scattered sections of the Provinces of Almeria and Granada. Abundant rains late in the season in the lowland area of Spain increased the size of the nuts, resulting in a preponderance of large-size kernels. In some areas, the rains delayed harvest by as much as 3 weeks.

When new-crop almonds appeared on the Mediterranean markets, remaining stocks of the 1945 harvest were estimated at 10,100 short tons (shelled basis), mostly still in growers' hands. Of this amount, an estimated 4,400 tons remained in Spain, a similar quantity in Italy, 1,100 tons in Iran, and 200 tons in French Morocco. The bulk of these stocks, however, are not of an acceptable grade and quality for United States importers. In view of the record-breaking production of 1945, such carry-overs are surprisingly small. In Italy and Spain, because of the shortage of edible oils, especially olive oil, large quantities of almonds were used by oil crushers.

Exports during the 1945-46 season were in large volume, considering the state of international trade. The largest quantity of shelled almonds imported by any country was about 13,200 tons shipped from Italy to the United Kingdom. The United States came second, with 8,825 tons to the end of July, largely from Spain, Italy, and Portugal, in the order named. French Morocco managed to export about 1,600 tons, mostly to France and Algeria, after a very confused marketing year marked by export restrictions, export taxes, and above-world prices. Iran experienced some difficulties with almond exports in view of the alleged presence of insect damage and complaints by certain importing countries. The Iranian Ministry of Agriculture issued a circular to all exporters of almonds instructing them to apply for a certificate of freedom from plant diseases for every export shipment.

When the 1946-47 marketing season opened, exporters in most Mediterranean countries were rather pessimistic as to probable exports, being confronted with a strong demand on the part of domestic-oil crushers, especially in Italy and Spain. In French Morocco prices have dropped from the 1945 level to 130 to 140 francs per kilo (about 49.7 to 53.5 per pound), but a 35-franc (about 13.4 cents per pound) export tax has been imposed on exported sweet almonds which brings the price close to 1945-46 levels. The prohibition on exportation of almonds was removed during the last marketing year. Production in France this year, as usual, is insufficient to take care of domestic needs, and imports probably will be made from Morocco.

Reports from Portugal indicate the same general pessimistic attitude as to the export possibility, though so far, almonds have not been used for the manufacture of oil. The large California crop, plus competition from Italy, is mainly responsible for the anticipated lack of demand from the United States this season.

In the Malaga area of Spain, the production of Jordan types is expected to be about 2,200 short tons and the same quantity of Valencias. The quality is reported as good, with nuts mostly of larger sizes. Ex-

porters in Spain appear to be considerably worried over the season's export prospects. After several years of relatively weak competition, they now face Italian competition and, further still, a record crop of California.

In addition, the shortage of olive oil has resulted in a continued strong demand on the part of oil crushers who are willing to pay prices higher than could be obtained in export channels. It is reported that a week-long conference between growers, exporters, and Government officials was held in Madrid for the purpose of devising some plan to enable Spain to meet foreign competition. By late August, very few foreign inquiries had been received in Spain and practically none from the United States. No sales abroad were reported in early August. It is also reported that no interest in Spanish almonds has been shown by British buyers.

At the start of the 1946-47 marketing season, the average Italian exporter was rather dubious as to his ability to export almonds, especially to the United States. This is understandable in view of the fact that olive oil from the 1946-47 production will not be available in volume until late December, and that between now and January the country will have to use domestic almond and filbert oils or imported oils.

Oil crushers, during the past month, have bid the prices of shelled almonds up from 28,000 to 32,000 lire a bale (\$124.44 to \$142.22 per 220 pounds at the official exchange rate), to growers and are apparently prepared to go still higher. Such prices to growers will mean a somewhat higher export price and, it is anticipated, will keep both British and United States buyers out of the market.

Oil crushers are not particular about grades, pack, or sizes for crushing for oil, as these factors are unimportant. It was also reported that one mill even used unshelled nuts, though no details could be obtained as to whether this method was found satisfactory. In some areas Italian housewives have become so used to almond oil that this business is likely to remain at least in part for years to come.

A number of inquiries have been received from United States importers for sweet almond oil, and it is reported that some business has been done already. Certain Italian interests hold high hopes for a modest export business in almond oil in the future. The almond-oil business appears to have become a more or less permanent part of the almond industry, at least until such a time as other cheaper vegetable oils are more plentiful, a situation not likely to develop for some time.

At present there appears to be little likelihood of large Italian almond exports to the United States, but this does not mean that some speciality types will not move this season.

Olive-oil production will start in late November or early December, with the price of oil the main factor in determining the export market for almonds. Prices demanded by growers for nuts are expected to continue

high, probably going higher as the season advances, until the olive oil comes into market. It may be well after January or February before any weakening of almond prices in Italy can be anticipated. Furthermore, the interest on the part of the British Ministry of Food for obtaining large quantities of both almonds and filberts must be considered. This interest is expected to turn into actual purchases when prices reach levels acceptable to the British.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report the Committee was composed of C. M. Purves, acting Chairman, W. R. Schreiber, L. B. Bacon, and A. I. Tannous.

COMMODITY DEVELOPMENTS

GRAINS GRAIN PRODUCTS AND FEEDS 1/

EGYPT'S GRAIN CROPS REPORTED SMALLER

The 1946 wheat crop in Egypt, reported at 42,725,000 bushels, is slightly smaller than the 1945 crop and somewhat below average. This decrease is the result of smaller acreage, with yields slightly above those of a year ago. The reduction in the wheat acreage was less than for other grains, a substantial shift from grain to cotton acreage having taken place during the current season. This marks a change back to the usual planting pattern, which was interrupted during the war years when compulsory planting of food crops caused some reduction in the cotton acreage.

EGYPT: Grain acreage and production, 1946 with comparisons

Year	Wheat	Barley	Corn	Grain sorghum
	1,000	1,000	1,000	1,000
	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>
<u>Acreage</u>				
Average -				
1939-43	1,650	317	1,775	575
1944	1,714	344	1,962	756
1945	1,710	372	1,950	710
1946	1,646	254 :a/	1,790 :a/	595
	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
<u>Production</u>				
Average -				
1939-43	46,822	11,767	56,413	25,156
1944	34,760	10,417	61,370	30,060
1945	43,436	12,015	66,821	28,886
1946	42,725	8,157 :a/	62,000 :a/	24,600

Compiled from official sources except as noted. a/ Unofficial estimate.

1/ This section is continued on page 200.

Grain acreage this year was about at the 1939-43 level except for barley, which was only about 80 percent of that average. Yields were also below average, and the barley crop was estimated at 8,157,000 bushels, compared with the around-average crop of 12 million bushels a year ago.

In addition to acreage reductions, the summer crops, corn and grain sorghum suffered flood damage, according to reports. The flood reached the delta regions about September 1 and is believed to have caused heavy damage to those crops planted on areas at low water level and on islands in the Nile. The latest forecast available had placed the corn crop at 62 million bushels, or about 10 percent above average.

The grain sorghum crop was placed at about 25 million bushels, according to the latest unofficial forecast. This would be about average but 15 percent less than the 1945 crop.

INDIAN RICE CROP ABOVE AVERAGE

The Indian rice crop, harvested principally in December-January of 1945-46, is placed at 1,962 million bushels, according to the latest official estimate. This is less than the 2,106-million crop in 1944-45, but 6 percent above the prewar (1937-38 to 1941-42) average of 1,853 million bushels. The acreage planted in August and yields harvested later in the year were reduced by unfavorable weather conditions in 1945.

INDIA: Rice acreage and production ^{a/}
averages 1932-33 to 1941-42, annual 1942-43 to 1945-46

Year	Acreage	Production		Yield per acre
		Rough	Milled ^{b/}	
	Million acres	Million bushels	Million pounds	Bushels
Average -				
1932-33 to 1936-37:	70.7	1,924	60,606	27.2
1937-38 to 1941-42:	73.4	1,853	58,370	25.2
1942-43	75.2	1,861	58,622	24.7
1943-44	81.1	2,292	72,198	28.3
1944-45	83.9	2,106	66,339	25.1
1945-46	79.9	1,962	61,803	24.6

Compiled from official sources.

^{a/} Includes production for areas regularly reported only, comprising about 92 percent of the total rice area of India. ^{b/} Includes milled rice and rough rice in terms of milled converted at 70 percent.

Despite increased production during the war, rice shortages developed in India on account of lack of imports. Some rice imports have been obtained from Burma in 1946, but these were not sufficient to supply all the needs of Bengal Province before the December-January 1946-47 harvest.

FATS AND OILSWORLD FATS AND OILS
PRODUCTION AND TRADE 1/

Present indications are that 3 years or longer may be required for world production of fats and oils again to reach the 1935-39 level. Several factors are retarding the rise in production of various commodities to the prewar volume. On account of political unrest, it may take some years to restore Manchurian soybean production and the Sumatra palm-oil output. Whale-oil production is not expected to reach the prewar level, because of international agreements to limit the annual output in the Antarctic to about one-half the 1938 level.

On the other hand, the expanded sunflower-seed production in Argentina is expected to continue. The United States lard and soybean production will probably remain for some time above the 1935-39 level. Furthermore, several countries may subsidize domestic production in order to reduce import requirements.

The quantity of fats and oils available for international trade may remain below the 1935-39 volume for some years, because several producing areas, such as India, may consume a larger quantity of domestic production. On the other hand, the import demand may not absorb so large a volume. The postwar demand is likely to follow a slightly different pattern than that of the 1930's. The demand in the Latin American countries, as a group, may be at a high level, at least for a few years, on account of the increased buying power. In the United States and Canada, the postwar industrial activities should create a strong demand for both edible and industrial oils. In Europe the requirement is expected to be varied. The United Kingdom, the Soviet Union, and some of the smaller countries will undoubtedly have a high industrial activity and a strong demand for fats and oils. On the other hand, recovery in Germany may be slow.

World production of fats and oils is expected to expand during the next few years despite the prospect that a decline in prices may occur within that period. How soon it will be before production exceeds demand at current prices depends upon many factors, such as: (1) Weather conditions affecting production in the major producing areas; (2) political stability in such areas as Manchuria and the Netherlands Indies, which will affect the volume of available supplies; and (3) the ability of the deficit countries to finance their imports. Furthermore, if world prices advance to an unreasonably high level, import requirements will shrink rapidly and a temporary surplus of fats and oils would appear likely.

Production: World production of fats and oils in 1945 was placed at 17,300,000 short tons, about 20 percent below the prewar (1935-39) annual average of 21,600,000 tons. Production of every group of fats and oils was below the prewar level. The greatest reduction in output was in the palm

1/ This is a summary from Foreign Agriculture Report No. 11, a detailed study prepared by the staff of the Fats, Oils, and Rice Division, International Commodities Branch, Office of Foreign Agricultural Relations. Copies may be obtained upon request to this Office.

oils (coconut, palm oil, and palm-kernel); this has occurred in the Netherlands Indies and the Philippines, formerly two of the major producing areas. Marine oils were also substantially below prewar production. The 1945 production of oilseeds and olives, used primarily for the production of edible oils, was only about 10 percent below the prewar output. In this group, the greatest declines were in cottonseed and olives, attributed, respectively, to the reduction in cotton acreage and to the 1945 drought in the Mediterranean Basin. On the other hand, sunflower-seed production exceeded the prewar level. In fact, the two phenomenal developments in vegetable-oilseed production that occurred during the war were expansions in Argentine sunflower seed and the United States soybean production.

FATS AND OILS: Estimated world production, a/
average 1935-39, annual 1945

Commodity	Total in oil or fat equivalent	
	Average	Estimate
	1935-39	1945
	1,000	1,000
	<u>short tons</u>	<u>short tons</u>
Edible oils:		
Soybeans	1,360	1,240
Sunflower seed	630	865
Peanuts	1,615	1,660
Cottonseed	1,675	1,150
Olive oil	960	575
Sesame seed	675	565
Total	6,915	6,055
Palm oils:		
Copra	1,610	700
Palm kernels	375	275
Palm oil	670	315
Babassu kernels	30	35
Total	2,685	1,325
Industrial oils:		
Flaxseed	1,170	1,165
Castor-beans	200	205
Rapeseed	1,365	1,335
Oiticica oil	10	15
Tung oil	150	90
Perilla seed	65	50
Total	2,960	2,860
Animal fats:		
Butter	3,750	2,835
Lard	3,000	2,400
Tallow	1,400	1,600
Total	8,150	6,835
Marine oils:		
Whale	585	40
Fish	315	160
Total	900	200
Estimated world total	21,610	17,275

a/ The production for each commodity was determined by estimating the percentage of each used as visible fats and oils. Allowances were made for seed, feed, and oilseeds consumed directly for human food. Since export figures are the only reliable data available for most palm oils, an additional percentage was added for local consumption in order to arrive at total production.

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Fats and oils available for consumption in 1946 are those obtained largely from the oilseed crops and olives harvested in the fall of 1945 and from animal fats, marine oils, and palm oils from the current year's production.

The production of palm oils is expected to be some 200,000 tons greater this year than in 1945. The increase is largely the result of the rehabilitation of the copra industry in the Philippines, where the output this year is expected to equal more than 50 percent of the prewar average. Small quantities of copra are expected also from the Netherlands Indies, but the total annual output of palm oils this year will be at least one million tons below the prewar level.

The 1946 world production of animal fats is expected to be slightly below that of 1945 and about 15 percent less than in prewar years. The reduction is due, in a large measure, to the decline in butter production in Europe and the United States. The total lard production is also somewhat below the prewar output on account of the reduced hog numbers in European countries.

The 1946 whale-oil production, estimated at 160,000 tons, is materially larger than that of 1945 but is equal to only about 25 percent of the 1935-39 output. The 1946 fish-oil yield is also estimated at only about 50 percent of the prewar level.

International Trade: World War II disrupted normal trade in fats and oils to a greater extent than production. By the middle of 1940, continental European countries, normally importers of over 2 million tons, were largely cut off from prewar import sources. Following Pearl Harbor and Japanese occupation early in 1942 of the principal oilseed-exporting areas in the Far East, Japan controlled the countries which formerly contributed about 35 percent of the international trade. From 1942 to 1944, only about 2.5 million tons of fats, oils, and oilseeds, in terms of oil, annually entered foreign trade compared with the prewar average of 6.5 million tons.

The total supply available for meeting the 1946 import requirements is estimated at less than 3 million short tons, but, because of delayed Argentine exports, all of this cannot be moved. The greatest shortage, as compared to prewar trade, is in the group of palm oils. A tremendous decline in the supply of edible vegetable oils available for trade movement is also apparent. Reductions in all commodities of this edible group are evident, with the exception of sunflower oil.

Import requirements for fats and oils in 1946 are about double the supply available for export. The demand in Europe exceeds that of the prewar years on account of the sharp decline in 1945 production of animal fats and butter, the reduced oilseed production in the Balkan countries, and the small olive harvest in the Mediterranean.

FATS, OILS, AND OILSEEDS: Total exports from the principal producing countries as oil or fat equivalent, average 1935-39, annual 1946

Commodity	Total in oil or fat equivalent	
	Average 1935-39	Estimate 1946
	1,000 short tons	1,000 short tons
Edible oils:		
Cottonseed	190	35
Olive oil	174	10
Peanut	852	385
Sesame	65	15
Soybean	440	60
Sunflower	32	90
Total	1,753	595
Palm oils:		
Coconut	1,289	450
Palm kernel	342	250
Palm	535	265
Babassu kernel	20	25
Total	2,186	990
Industrial oils:		
Linseed	714	320
Castor	101	100
Rapeseed	45	10
Oiticica	4	10
Tunga/	89	30
Perilla	40	0
Total	993	470
Animal fats:		
Butterb/	460	285
Lard	190	330
Tallow b/	845	725
Marine oils:		
Whale	584	160
Fish	150	50
Total	734	210
Grand total	6,511	2,990

a/ 1933-37 average. b/ 1934-38 average.

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RECORD SUNFLOWER-SEED
ACREAGE SEEN IN CHILE

Chile anticipates a record sunflower-seed acreage for 1946-47, though plantings have not yet been completed. An unofficial estimate indicates about 56,800 acres, an increase of about 80 percent over last year when acreage was cut for the first time in 6 years, and about 110 percent over the 5-year (1940-41 to 1944-45) average.

Oilseed factories offered growers a preseason contract price of 320 pesos per 100 kilograms (4.68 cents per pound), f.o.b. factory, for sunflower seed from the 1946-47 crop, compared with only 250 pesos (3.66 cents per pound) in 1945-46.

For a number of years, Chile has attempted to become self-sufficient in edible vegetable-oil production. At present, however, this country is in an extremely difficult situation since (1) domestic production of sunflower seed, Chile's principal source of vegetable oil, was down 40 percent this year compared with 1944-45; (2) imports of sunflower seed from Argentina, upon which Chile is vitally dependent, have been stopped; and (3) the 1944-45 shipments of oilseeds from Argentina were reportedly inadequate for Chile to maintain a normal carry-over into 1946. Present stocks of oilseed are said to be nearly exhausted, and factories engaged in the manufacture of oils are threatening to cease operations.

BAHIA'S CASTOR-BEAN
CROP DOWN SLIGHTLY

The 1946 production of castor beans in the States of Bahia and Sergipe, Brazil, which normally account for about 20 percent of the country's total output, is estimated at less than 40,000 short tons, compared with last year's crop of about 46,300 tons.

If present difficulties in railway transportation continue, shippers do not expect much of the remaining 1946 crop to be ^{moved} from the interior to the coast. Recent stock estimates, mostly from the 1945 crop, indicate that around 16,500 tons of castor beans are held in the interior of Bahia. The four oil-pressing plants of this State are reported to have crushed 1,330 tons of beans during the first 6 months of 1946, in contrast with 1,200 tons for the same period of last year.

With the exception of 82 tons of castor oil shipped to Sweden and 23 tons to the United States for the first half of 1946, all castor oil produced in Bahia was consumed domestically. Foreign exports of castor beans amounting to 17,690 tons were entirely to the United States during the first half of this year, compared with total exports of 18,056 tons for January-June 1945.

The current price quoted for castor beans starts at \$116.00 per short ton (\$130.00 a long ton), f.o.b. Bahia, compared with an average of \$84.80 per short ton (\$95.00 a long ton) for February 13 to June 30, 1946.

Foreign, local, and Rio crushers are bidding comparable prices in the Bahia market, according to reports.

TOBACCO

SOUTHERN RHODESIA'S TOBACCO CROP DOWN

Final estimates place Southern Rhodesia's 1945-46 flue-cured tobacco crop at 43 million pounds, compared with 46.8 million last year, according to a report from the American Legation at Pretoria. Fire-cured production amounted to 540,000 pounds, compared with 718,000 pounds a year ago. The Turkish crop, however, increased to about 5.5 million pounds from 4.5 million in 1944-45.

Tobacco growers obtained very good prices for their 1945-46 crop of tobacco. The high prices offered for tobacco are causing some difficulty for farmers producing other crops. Recent increases in the tobacco acreage and good wages paid for labor, have attracted workers to the tobacco industry, resulting in labor shortages in other lines of farming.

DOMINICAN LEAF-TOBACCO EXPORTS RISE SHARPLY

Leaf-tobacco exports from the Dominican Republic during the first half of 1946 totaled 16.3 million pounds, compared with only 5.6 million for a similar period last year. The chief customers for the Republic's leaf in 1946 were: Tangier with 4.8 million pounds, France with 4.3 million, and the Netherlands with 2.4 million. Other principal destinations were Spain, Belgium, and Algeria. Lesser amounts were shipped to French Morocco, Switzerland, Gibraltar, Indochina, and China.

Exports of cigars and cigarettes, however, showed decreases from last year. During January-June 1946, cigar exports totaled 95,000 pieces, compared with 156,000 during the first half of 1945. Most of the cigar exports in both years were destined to the Netherlands West Indies. Cigarette shipments during the first half of this year amounted to 9,787,000 pieces, compared with 26,750,000 pieces last year. The French and the Netherlands West Indies were the markets for Dominican cigarettes.

HAITI TOBACCO IMPORTS LARGELY FROM U. S.

During the 12 months October-September 1944-45, Haiti imported 155,000 pounds of leaf tobacco, all of United States origin. Most of the imports were flue-cured and Burley used for blending with domestic leaf in the manufacture of cigarettes. During the 5 fiscal years (1935-36 through 1939-40), imports averaged 48,000 pounds, most of which originated in this country. Imports of cigarettes totaled 37.4 million pieces during 1944-45, largely of United States manufacture. Cigar imports were negligible, amounting to only 63,000 pieces, chiefly from Cuba and the Dominican Republic.

CHILE'S TOBACCO PRODUCTION DOWN

Chile's 1945-46 crop of tobacco amounted to 9.2 million pounds from 4,641 acres, according to a report from the American Embassy at Santiago. Trade estimates place the prospective 1946-47 tobacco area at about 5,850 acres. This year's production was about 11 percent smaller than the 1944-45 harvest of 10.5 million pounds, and considerably below average production of 14.1 million during the 3 seasons 1941-42 through 1943-44.

Most of the 1945-46 crop consisted of Paraguay and Havana types. Production of flue-cured and Burley amounted to only 149,000 pounds, and 32,000 pounds, respectively. Farm prices for 1945-46 Paraguay leaf averaged 5.9 cents per pound, and Havana 6.1 cents. Flue-cured brought an average of 19 cents per pound. Contract prices for Paraguay and Havana from the 1946-47 crop are to be increased about 18 percent.

The output of tobacco products in Chile during 1945 showed a considerable decline from previous years. About 412 million packages of cigarettes (10 pieces per package) were manufactured in 1945, compared with an average of 440 million during the 3-year (1941-43) period. Cigars totaled 4.2 million, compared with an average of 5.1 for 1941-43. About 4 million packages of smoking tobacco were manufactured, as against a 1941-43 average of 5.5 million. The domestic tobacco industry is able to provide most of the leaf used in these manufactures. Imports of leaf during the first half of 1946 amounted to 273,000 pounds, of which 246,000 pounds originated in Cuba, and 27,000 pounds in the United States. Imports of tobacco products into Chile are insignificant, amounting to only a few thousand pounds each year.

FRUITS, VEGETABLES, AND NUTS

CANADA'S FRUIT OUTLOOK BRIGHT

Considerable improvement in crop prospects of tree fruits and grapes occurred in Canada during July and August, according to the third estimate released August 30. Production of tree fruits in 1946 shows a gain over last year.

The apple crop is now indicated at nearly 16 million bushels or about a million more than the first estimate released in June, and slightly more than double the short crop of 7.6 million bushels in 1945. Apple prospects improved generally during recent weeks in all areas. Though improvement was slight in Nova Scotia, Quebec's prospective production of 1 million was nearly double an earlier estimate of 600,000 bushels. British Columbia's crop is now placed at 8,060,000 bushels. Hail in the Okanagan Valley in July is reported to have destroyed 500,000 bushels. In addition, about 275,000 bushels will be sold as hail-damaged apples.

Pears are now estimated at 816,000 bushels, compared with 600,000 last year and with the 5-year (1940-44) average of 733,000 bushels. Peaches

are placed at 2,086,000 bushels, 33 percent above the 1,566,000 bushels in 1945 and 44 percent more than the 5-year (1940-44) average of 1,451,000 bushels. Grapes are indicated at 72 million pounds--the second largest crop on record--compared with 66 million last year.

The United Kingdom has agreed to purchase 900,000 bushels of Nova Scotia apples at an average price of about \$1.65 per bushel, f.o.b. shipping point. In addition, 375,000 bushels of Nova Scotia apples are expected to be canned for shipment to Britain. British Columbia is expected to ship Britain about 2 million bushels if it can satisfy the British requirements as to size and variety.

At the Canadian-United States Joint Apple Committee meeting held in Toronto August 9-10, the Canadians advised that they might export to the United States during 1946-47, 1 million bushels of apples for fresh use and 2 million for processing.

CANADA: Fruit production, 1946 with comparisons

Season	Apples	Pears	Plums and prunes	Peaches	Cherries	Apricots	Grapes
	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: Short : tons
Average -	:	:	:	:	:	:	:
1940-44	: 13,459	: 733	: 413	: 1,451	: 277	: 83	: 28,954
1945	: 7,635	: 600	: 486	: 1,566	: 237	: 87	: 33,006
1946	: 15,940	: 816	: 642	: 2,086	: 267	: 166	: 36,091
	:	:	:	:	:	:	:

Compiled from official sources.

ARGENTINE CITRUS CROP SMALLER

The 1946 production of oranges (including tangerines) in Argentina is now indicated to be 8,825,000 boxes, 21 percent below the 11,136,000 boxes last year, and is the smallest crop in recent years. Of this total, oranges are now indicated at 6,551,000 boxes, compared with 8,186,000 boxes last year and the 5-year (1941-45) average of 9,924,000 boxes.

The output of tangerines is indicated at 2,274,000 boxes compared with 2,947,000 last year and the 5-year (1941-45) average of 3,690,000 boxes. The grapefruit crop is estimated at 38,000 boxes, 11 percent below last year's crop of 112,000 boxes and 39 percent less than the 5-year (1941-45) average of 144,000 boxes. Lemon production for 1946 is indicated at 1,056,000 boxes, an 11-percent increase above the 998,000 in 1945 but 7 percent below the 5-year (1941-45) average of 1,113,000 boxes.

CUBAN VEGETABLE ACREAGE LARGER

Cuba's winter vegetable plantings, except cucumbers, are expected to be somewhat larger than in last season. The volume of exports will depend in

part on the market situation in the United States during the fall and winter season and in part on whether direct-refrigerated shipping to New York will become available. Some difficulties are being experienced by growers because of higher wage demands and a scarcity of fertilizer.

Early estimates indicate increases of 20 to 25 percent in the tomato crop, 10 percent in eggplant, and substantially larger acreages for okra and lima beans. Most of the lima-bean crop is expected to be frozen for shipment to the United States. Cucumber plantings are reported to be the same as last year, but pepper production for export is expected to be negligible.

Exports of fresh Cuban vegetables are expected to continue small until November when first shipments from the winter crops will be made.

COTTON AND OTHER FIBERS

BELGIAN COTTON CONSUMPTION NEARS PREWAR LEVEL

Cotton consumption by spinning mills in Belgium during the year ended July 31, 1946, was reported at 274,000 bales (of 478 pounds net), compared with 39,000 in 1944-45 and 321,000 in 1938-39. The 1945-46 total included 122,000 bales of American cotton, 100,000 of Congo, and 52,000 of other growths--principally Indian, Brazilian, Egyptian, and Peruvian. Mill consumption of 79,000 bales during the May-July 1946 quarter was nearly equal to the prewar rate.

At the outbreak of war in 1939 there were 1,984,000 spindles in Belgian mills. About 84,000, or 4 percent of the total, were destroyed. The remaining 1.9 million are now operating at about 85 percent of capacity with the rate of operation still rising slowly. Coal supplies are sufficient for current needs of the industry, but a further increase in mill activity is limited by a shortage of labor. About 700 metric tons (3,200 bales) of Egyptian Karnak cotton have been contracted for spinning in Germany for Belgian account. Belgium is to receive in return 500 tons of the yarn at 8.5-percent-moisture content.

Imports of cotton during the 11 months ended June 30 totaled 263,000 bales, including 93,000 from the Belgian Congo, 74,000 from the United States, 24,000 from India, and 38,000 bales (of unspecified growth) from the United Kingdom. Imports of 141,000 bales were reported during April to July 1945 (none prior to April).

Stocks of cotton on hand July 31, 1946, were estimated at 87,000 bales, including 29,000 of American and 11,000 of Congo cotton. Stocks of cotton in Belgium were heavy when the German Army entered the country in 1940, as indicated by a report of 130,000 bales on hand January 31, 1940. Very little raw cotton was removed to Germany. Under an agreement with the temporary Belgian Government, the cotton on hand was to be manufactured in Belgian mills, and 70 to 80 percent of the goods was

to be delivered to Germany. Quantities actually delivered were reported to be very small as the goods were hidden and much gradually entered black market channels in Belgium.

WEEKLY COTTON PRICES ON FOREIGN MARKETS

The following table shows certain cotton price quotations on foreign markets, converted at current rates of exchange.

COTTON: Spot prices of certain foreign growths
and qualities in specific markets

Market location, kind, and quality	Date 1946	Unit of weight	Unit of currency	Price in: foreign currency	Equivalent U. S. cents per pound
Alexandria	:	:Kantar	:	:	:
Ashmouni, F.G.F.	9-19:	99.05 lbs.	:Tallari	:	Not quoted
Giza 7, F.G.F.	9-19:	99.05 lbs.	:Tallari	:	Not quoted
Karnak, F.G.F.	9-19:	99.05 lbs.	:Tallari	:	Not quoted
Bombay	:	:Candy	:	:	:
Jarila, fine	9-19:	784 lbs.	:Rupee	423.00:	16.27
Kampala, East African ..	9-19:	784 lbs.	:Rupee	850.00:	32.70
Buenos Aires	:	:Metric ton	:	:	:
Type B	:	2204.6 lbs.	:Peso	:	:
Lima	:	:Sq. quintal	:	:	:
Tanguis, Type 5	9-21:	101.4 lbs.	:Sol	183.00:	27.76
Recife	:	:Arroba	:	:	:
Mata, Type 5	9-20:	33.07 lbs.	:Cruzeiro:	130.00:	21.25
Sertao, Type 5	9-20:	33.07 lbs.	:Cruzeiro:	135.00:	22.07
Sao Paulo	:	:Arroba	:	:	:
Sao Paulo, Type 5	9-20:	33.07 lbs.	:Cruzeiro:	160.50:	26.23
Torreón	:	:Sq. quintal	:	:	:
Middling, 15/16"	9-20:	101.4 lbs.	:Peso	136.25:	27.64

Compiled from weekly cables from representatives abroad.

LIVESTOCK AND ANIMAL PRODUCTS

U. S. BUYERS COMPLETING URUGUAYAN WOOL PURCHASES

Buyers from the United States were still purchasing Uruguayan wool in August, and prices were reported as unchanged with stocks low. August purchases amounted to approximately 4 million pounds and the total for the first 11 months of the season (October 1-August 31) reached 80 million pounds.

Exports to the United States for the 11-month (October 1-August 31) period aggregated 83 million pounds including some carry-over wool, compared with record shipments of 173 million pounds for the same period last season. Exports to the United States in the comparable period of

the five wartime seasons, 1939-40 to 1943-44, were large, averaging 73 million pounds annually, in contrast with the average of only 14 million pounds for the corresponding months of the five prewar seasons.

Total exports from Uruguay through August are not yet available but exports for the 10-month period were 20 percent below last season.

URUGUAY: Wool exports, October-August
1945-46, with comparisons

October 1 to August 31	To United States	Total	Percentage to United States
	1,000 pounds	1,000 pounds	Percent
Average -			
1934-35 to 1938-39	14,031	110,924	12.6
1939-40	33,019	101,874	32.4
1940-41	117,787	142,996	82.4
1941-42	41,825	55,243	75.7
1942-43	80,664	86,834	92.9
1943-44	92,506	101,897	90.8
1944-45	172,629	195,821	88.2
1945-46	83,479	a/	-

Compiled from reports submitted by the United States Embassy, Buenos Aires.
a/ Not available.

MISCELLANEOUS

TRADE CONTROLS

Bulgaria recently concluded a compensation arrangement with the United Kingdom by which strawberry pulp will be exchanged for wool. According to the press, a similar arrangement recently was made with Turkey under which Bulgaria will obtain wool.

Brazil has removed export prohibitions on tapioca flour and starch, Brazil nuts, cashew nuts, cornstarch, grated coconut, dried bananas, and banana flake and powder.

MADAGASCAR VANILLA
BEAN CROP LARGER

The 1946-47 vanilla-bean crop in Madagascar, which produces about two-thirds of the world crop, is forecast at 1.1 million pounds, or 10 percent larger than last year's outturn of 992,000 pounds, according to a report from Tananarive. Madagascar supplies the bulk of United States imports.

In line with French policy in recent years, the Colonial Ministry in Paris has proposed that a quota of 1,322,276 pounds of vanilla beans be established for the United States to cover the period October 1, 1946, to December 31, 1947, with at least one-third of this quota shipped from France.

During the war years, vanilla beans were shipped directly from Madagascar to the United States, instead of via Marseilles as was previously customary. Direct shipments have been satisfactory to all concerned, and neither United States importers nor Madagascar exporters wish to give up the practice. So far as is known at this time, no final decision on the question has been reached.

MADAGASCAR: Exports of vanilla beans by country of destination,
average 1935-39, annual 1940-45

Year	:	France	:	United States	:	Others	:	Total
	:	1,000	:	1,000	:	1,000	:	1,000
	:	<u>pounds</u>	:	<u>pounds</u>	:	<u>pounds</u>	:	<u>pounds</u>
Average -	:		:		:		:	
1935-39	:	750	:	140	:	2	:	892
1940	:	311	:	265	:	4	:	580
1941	:	445	:	342	:	2	:	789
1942	:	40	:	-	:	-	:	40
1943	:	-	:	234	:	2	:	236
1944	:	2	:	773	:	20	:	795
1945	:	75	:	944	:	59	:	1,078
	:		:		:		:	

Statistiques du Commerce et de la Navigation and Consular Reports.

GRAINS, GRAIN PRODUCTS, AND FEEDS (con't)

UNITED KINGDOM'S GRAIN
PROSPECTS UNFAVORABLE

Total grain production in the United Kingdom this year is expected to be less than the 1945 crop, as a result of a decline in both acreage and yields. Though total grain acreage shows a reduction of about 5 percent from the 1945 acreage, seedings are still much above the prewar level.

The largest acreage reductions are reported for wheat and oats, the barley acreage having remained near the 1945 level of 2,215,000 acres. The wheat area is placed at 2,068,000 acres, the smallest since 1940, compared with 2,274,000 acres a year ago. A wheat yield of 35 bushels per acre, as estimated on September 1, would mean a crop of about 72 million bushels, which would be the smallest reported since 1940.

The oats acreage is estimated at 3,582,000 acres, or about 5 percent less than in 1945. In addition to the acreage reduction severe damage to both oats and barley crops was reported, as a result of heavy rains and gales, which occurred from late July to early September. The average yield of oats, estimated as of September 1 showed a decline of about 4 percent compared with that of last year. Further deterioration is reported to have taken place since the time of that estimate.

Barley yields, as of September 1, were about 7 percent smaller than 1945 yields. Reports of heavy damage to that crop indicate that yields may be reduced still further. Losses of molting barley have been placed as high as 50 percent by some observers.

